

AMENDED IN ASSEMBLY SEPTEMBER 11, 2003

AMENDED IN ASSEMBLY SEPTEMBER 4, 2003

AMENDED IN ASSEMBLY AUGUST 18, 2003

AMENDED IN ASSEMBLY JULY 28, 2003

AMENDED IN ASSEMBLY JUNE 26, 2003

AMENDED IN SENATE APRIL 24, 2003

## **SENATE BILL**

**No. 1080**

**Introduced by Committee on Business and Professions (Senators  
Figueroa (Chair), Aanestad, Brulte, Cedillo, Machado, Murray,  
and Vincent)**

March 28, 2003

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An act to amend Sections 1973, 2154.4, 5001, 5061, 5081, 5082, 5082.2, 5107, 5131, 7139.2, 7583.6, and 7583.9 of, to amend, add, and repeal Sections 10152 and 10153.3 of, to add Section 5115 to, to repeal Section 5091 of, and to repeal and add Section 5082.1 to, the Business and Professions Code, relating to professions and vocations, making an appropriation therefor, ~~and declaring the urgency thereof, to take effect immediately.~~

### LEGISLATIVE COUNSEL'S DIGEST

SB 1080, as amended, Committee on Business and Professions. Professions and vocations.

(1) Existing law establishes the Medically Underserved Account in the Contingent Fund of the Medical Board of California, and the Dentally Underserved Account in the State Dentistry Fund. Specified moneys in those accounts have been appropriated to repay loans per

agreements with dentists or physicians who practice in underserved areas of the state.

This bill would specify that moneys in these accounts are continuously appropriated for those purposes.

(2) Existing law provides for the regulation, licensure, and discipline of public accountants by the California Board of Accountancy. Under existing law, each board member, other than the public members, is required to be actively engaged in the practice of public accountancy. Existing law prohibits a public accountant from receiving a commission from a client while performing certain services.

This bill would prohibit a public accountant from receiving a commission from a 3rd party for providing the 3rd party's products or services to a client. The bill would make an exception to allow one licensee member appointed by the Governor to be an active educator or administrator in a college, university, or four-year program that emphasizes accounting.

(3) Existing law sets forth the requirements for an applicant for admission to the examination for a certified public accountant, including the payment of an examination fee.

The bill would specify that the application is for an authorization to be admitted to the examination for a certified public accountant.

(4) Existing law regulates the certified public accountant's examination process.

The bill would revise the examination process requirements, and would authorize the board to specify that a public or private organization may conduct the examination. The bill would authorize the board to specify that payment of the examination fee be made directly to the organization that administers the examination. The bill would authorize the board to contract with a public or private organization for materials and services related to the exam. The bill would authorize the board to adopt regulations relating to the examination.

(5) Existing law requires a public accountant who is found guilty of certain types of unprofessional conduct to pay to the board all reasonable costs of investigation and prosecution of a case. Under existing law, a person may petition the board for reinstatement of his or her license one year after his or her license has been revoked or suspended.

The bill would revise the provisions governing the basis for the board's recovery of costs. The bill would also provide that a person



whose license has been revoked or surrendered may petition the board for reinstatement of his or her license after one year or after a longer period designated by the board, up to 3 years.

(6) Existing law authorizes the board to fix the fee for the certified public accountant's examination at an amount to equal the board's actual cost and authorizes the board to consider certain factors in estimating the cost.

The bill would in addition authorize the board to consider the cost to the board to review and determine an applicant's qualifications.

(7) Existing law, the Contractors' State License Law, establishes the Construction Management Education Account in the Contractors' License Fund and authorizes a contractor to make a \$25 contribution to this account when the contractor pays his or her license fee.

This bill would instead authorize a contractor to make a contribution to this account when renewing his or her license.

(8) Existing law, the Private Security Services Act, licenses private patrol operators and requires a private security guard to register with the Bureau of Security and Investigative Services in the Department of Consumer Affairs. Under existing law, a person who applies for registration must submit classifiable fingerprint cards with his or her application.

This bill would exempt certain classes of peace officers from this requirement.

(9) Existing law, the Private Security Services Act, requires every licensee, except as specified, to complete not less than 32 hours of training in security officer skills beginning July 1, 2004.

This bill would exempt armored vehicle guards from this training requirement.

(10) Existing law, the Real Estate Law, authorizes the regulation of real estate transactions by the Real Estate Commissioner. Existing law specifies an application fee for the real estate salesperson's licensing examination and requires these fees to be deposited into the Real Estate Fund, which is continuously appropriated. Under existing law, the commissioner may require specified proof regarding the honesty and truthfulness of an applicant for a real estate broker's license and shall require every original applicant to be fingerprinted. Existing law requires an applicant to submit evidence of completion of a course in real estate principles in order to take the real estate salesperson license examination.

Commencing July 1, 2004, this bill would authorize the commissioner to obtain proof regarding the honesty and truthfulness from an applicant for the real estate license examination, would authorize an individual currently enrolled in a real estate principles course to take the real estate salesperson's license examination, and would require an applicant for an original real estate salesperson's license to submit evidence that he or she has completed the course, which may include a statement under penalty of perjury. The bill would require the commissioner to collect any applicant's fingerprints prior to issuing a license and would authorize the commissioner to require that they be submitted either with the application for the examination or for the license. Because the bill would authorize more individuals to take the real estate salesperson's license examination and lead to an increase of fees being deposited into a continuously appropriated fund, the bill would make an appropriation.

Because the bill would authorize the statement under penalty of perjury, it would impose a state-mandated local program by expanding the crime of perjury.

(11) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~(12) The bill would declare that it would take effect immediately as an urgency statute.~~

Vote: <sup>2</sup>/<sub>3</sub> majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 1973 of the Business and Professions
- 2 Code is amended to read:
- 3 1973. (a) The Dentally Underserved Account is hereby
- 4 created in the State Dentistry Fund.
- 5 (b) The sum of three million dollars (\$3,000,000) is hereby
- 6 authorized to be expended from the State Dentistry Fund on this
- 7 program. These moneys are appropriated as follows:
- 8 (1) One million dollars (\$1,000,000) shall be transferred from
- 9 the State Dentistry Fund to the Dentally Underserved Account on

1 July 1, 2003. Of this amount, sixty-five thousand dollars (\$65,000)  
2 shall be used by the Dental Board of California in the 2003–04  
3 fiscal year for operating expenses necessary to manage this  
4 program.

5 (2) One million dollars (\$1,000,000) shall be transferred from  
6 the State Dentistry Fund to the Dentally Underserved Account on  
7 July 1, 2004. Of this amount, sixty-five thousand dollars (\$65,000)  
8 shall be used by the Dental Board of California in the 2004–05  
9 fiscal year for operating expenses necessary to manage this  
10 program.

11 (3) One million dollars (\$1,000,000) shall be transferred from  
12 the State Dentistry Fund to the Dentally Underserved Account on  
13 July 1, 2005. Of this amount, sixty-five thousand dollars (\$65,000)  
14 shall be used by the Dental Board of California in the 2005–06  
15 fiscal year for operating expenses necessary to manage this  
16 program.

17 (c) Funds placed into the Dentally Underserved Account shall  
18 be used by the board to repay the loans per agreements made with  
19 dentists.

20 (1) Funds paid out for loan repayment may have a funding  
21 match from foundation or other private sources.

22 (2) Loan repayments may not exceed one hundred five  
23 thousand dollars (\$105,000) per individual licensed dentist.

24 (3) Loan repayments may not exceed the amount of the  
25 educational loans incurred by the dentist applicant.

26 (d) Notwithstanding Section 11005 of the Government Code,  
27 the board may seek and receive matching funds from foundations  
28 and private sources to be placed into the Dentally Underserved  
29 Account. The board also may contract with an exempt foundation  
30 for the receipt of matching funds to be transferred to the Dentally  
31 Underserved Account for use by this program.

32 (e) Funds in the Dentally Underserved Account appropriated in  
33 subdivision (b) or received pursuant to subdivision (d) are  
34 continuously appropriated for the repayment of loans per  
35 agreements made between the board and the dentists.

36 SEC. 2. Section 2154.4 of the Business and Professions Code  
37 is amended to read:

38 2154.4. (a) The Medically Underserved Account is hereby  
39 created in the Contingent Fund of the Medical Board of California.

(b) The sum of three million four hundred fifty thousand dollars (\$3,450,000) is hereby authorized to be expended from the Contingent Fund of the Medical Board of California on this program. These moneys are appropriated as follows:

(1) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2003. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2003–04 fiscal year for operating expenses necessary to manage this program.

(2) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2004. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2004–05 fiscal year for operating expenses necessary to manage this program.

(3) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2005. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2005–06 fiscal year for operating expenses necessary to manage this program.

(c) Funds placed into the Medically Underserved Account shall be used by the board to repay the loans per agreements made with physicians.

(1) Funds paid out for loan repayment may have a funding match from foundation or other private sources.

(2) Loan repayments may not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.

(3) Loan repayments may not exceed the amount of the educational loans incurred by the physician applicant.

(d) Notwithstanding Section 11005 of the Government Code, the board may seek and receive matching funds from foundations and private sources to be placed into the Medically Underserved Account. The board also may contract with an exempt foundation for the receipt of matching funds to be transferred to the Medically Underserved Account for use by this program.

(e) Funds in the Medically Underserved Account appropriated in subdivision (b) or received pursuant to subdivision (d) are continuously appropriated for the repayment of loans per agreements made between the board and the physicians.

SEC. 3. Section 5001 of the Business and Professions Code is amended to read:

5001. (a) Except as provided in subdivision (b), each member of the board, except the public members, shall be actively engaged in the practice of public accountancy and shall have been so engaged for a period of not less than five years preceding the date of his appointment. Each member shall be a citizen of the United States and a resident of this state for at least five years next preceding his appointment, and shall be of good character. Within 30 days after their appointment, the members of the board shall take and subscribe to the oath of office as prescribed by the Government Code and shall file the same with the Secretary of State.

(b) One licensee member appointed by the Governor may be an active educator within a program that emphasizes the study of accounting within a college, university, or four-year educational institution.

SEC. 4. Section 5061 of the Business and Professions Code is amended to read:

5061. (a) Except as expressly permitted by this section, a person engaged in the practice of public accountancy shall not: (1) pay a fee or commission to obtain a client or (2) accept a fee or commission for referring a client to the products or services of a third party.

(b) A person engaged in the practice of public accountancy who is not performing any of the services set forth in subdivision (c) and who complies with the disclosure requirements of subdivision (d) may accept a fee or commission for providing a client with the products or services of a third party where the products or services of a third party are provided in conjunction with professional services provided to the client by the person engaged in the practice of public accountancy. Nothing in this subdivision shall be construed to permit the solicitation or acceptance of any fee or commission solely for the referral of a client to a third party.

(c) A person engaged in the practice of public accountancy is prohibited from performing services for a client, or an officer or



1 director of a client, or a client-sponsored retirement plan, for a  
2 commission or from receiving a commission from a third party for  
3 providing the products or services of that third party to a client, or  
4 an officer or director of a client, or a client-sponsored retirement  
5 plan, during the period in which the person also performs for that  
6 client, or officer or director of that client, or client-sponsored  
7 retirement plan, any of the services listed below and during the  
8 period covered by any historical financial statements involved in  
9 those listed services:

10 (1) An audit or review of a financial statement.

11 (2) A compilation of a financial statement when that person  
12 expects, or reasonably might expect, that a third party will use the  
13 financial statement and the compilation report does not disclose a  
14 lack of independence.

15 (3) An examination of prospective financial information.

16 For purposes of this subdivision, “director” means any person  
17 as defined under Section 164 of the Corporations Code and  
18 “officer” means any individual reported to a regulatory agency as  
19 an officer of a corporation. However, “director” and “officer”  
20 does not include a director or officer of a nonprofit corporation, or  
21 a corporation that meets the board’s definition of small business,  
22 as specified by regulation.

23 (d) A person engaged in the practice of public accountancy who  
24 is not prohibited from performing services for a commission, or  
25 from receiving a commission, and who is paid or expects to be paid  
26 a commission, shall disclose that fact to any client or entity to  
27 whom the person engaged in the practice of public accountancy  
28 recommends or refers a product or service to which the  
29 commission relates.

30 (e) The board shall adopt regulations to implement, interpret,  
31 and make specific the provisions of this section including, but not  
32 limited to, regulations specifying the terms of any disclosure  
33 required by subdivision (d), the manner in which the disclosure  
34 shall be made, and other matters regarding the disclosure that the  
35 board deems appropriate. These regulations shall require, at a  
36 minimum, that a disclosure shall comply with all of the following:

37 (1) Be in writing and be clear and conspicuous.

38 (2) Be signed by the recipient of the product or service.

39 (3) State the amount of the commission or the basis on which  
40 it will be computed.



(4) Identify the source of the payment and the relationship between the source of the payment and the person receiving the payment.

(5) Be presented to the client at or prior to the time the recommendation of the product or service is made.

(f) For purposes of this section, “fee” includes, but is not limited to, a commission, rebate, preference, discount, or other consideration, whether in the form of money or otherwise.

(g) This section shall not prohibit payments for the purchase of any accounting practice or retirement payments to individuals presently or formerly engaged in the practice of public accountancy or payments to their heirs or estates.

SEC. 5. Section 5081 of the Business and Professions Code is amended to read:

5081. An applicant for an authorization to be admitted to the examination for a certified public accountant license shall:

(a) Not have committed acts or crimes constituting grounds for denial of a license under Section 480.

(b) File the application prescribed by the board. This application shall not be considered filed unless all required supporting documents, fees, and the fully completed board-approved application form are received in the board office or filed by mail in accordance with Section 11003 of the Government Code on or before the specified final filing date.

(c) Meet one of the educational requirements specified in this article.

SEC. 6. Section 5082 of the Business and Professions Code is amended to read:

5082. An applicant for a certified public accountant license shall have successfully passed an examination in subjects the board deems appropriate, and in the form and manner that the board deems appropriate. The board may, by regulation, prescribe the methods for applying for and conducting the examination, including methods for grading and determining a passing grade.

SEC. 7. Section 5082.1 of the Business and Professions Code is repealed.

SEC. 8. Section 5082.1 is added to the Business and Professions Code, to read:

5082.1. (a) The examination required by the board for the granting of a license as a certified public accountant may be

1 conducted by the board or by a public or private organization  
2 specified by the board. The examination may be conducted under  
3 a uniform examination system.

4 (b) The board may make arrangements with a public or private  
5 organization for the conduct of the examination, as deemed  
6 necessary by the board. The board may contract with a public or  
7 private organization for materials or services related to the  
8 examination.

9 SEC. 9. Section 5082.2 of the Business and Professions Code  
10 is amended to read:

11 5082.2. For candidates seeking to be reexamined pursuant to  
12 subdivision (b) of Section 5090, a candidate who fails an  
13 examination provided for in this article shall have the right to any  
14 number of reexaminations at subsequent examinations. A  
15 candidate who passes an examination in two or more subjects shall  
16 have the right to be reexamined in the remaining subject or  
17 subjects only, at subsequent examinations, and if he or she passes  
18 in the remaining subject or subjects within a period of time  
19 specified in the rules of the board he or she shall be considered to  
20 have passed the examination.

21 This section shall remain in effect only until January 1, 2006,  
22 and as of that date is repealed, unless a later enacted statute, that  
23 is enacted before January 1, 2006, deletes or extends that date.

24 SEC. 10. Section 5091 of the Business and Professions Code,  
25 as added by Section 19 of Chapter 718 of the Statutes of 2001, is  
26 repealed.

27 SEC. 11. Section 5091 of the Business and Professions Code,  
28 as added by Section 16 of Chapter 704 of the Statutes of 2001, is  
29 repealed.

30 SEC. 12. Section 5107 of the Business and Professions Code  
31 is amended to read:

32 5107. (a) The executive officer of the board may request the  
33 administrative law judge, as part of the proposed decision in a  
34 disciplinary proceeding, to direct any holder of a permit or  
35 certificate found guilty of unprofessional conduct in violation of  
36 subdivision (b), (c), (j), or (k) of Section 5100, or involving a  
37 felony conviction in violation of subdivision (a) of Section 5100,  
38 or involving fiscal dishonesty in violation of subdivision (i) of  
39 Section 5100, to pay to the board all reasonable costs of  
40 investigation and prosecution of the case, including, but not



1 limited to, attorneys' fees. The board shall not recover costs  
2 incurred at the administrative hearing.

3 (b) A certified copy of the actual costs, or a good faith estimate  
4 of costs where actual costs are not available, signed by the  
5 executive officer, shall be prima facie evidence of reasonable costs  
6 of investigation and prosecution of the case.

7 (c) The administrative law judge shall make a proposed finding  
8 of the amount of reasonable costs of investigation and prosecution  
9 of the case when requested to do so by the executive officer  
10 pursuant to subdivision (a). Costs are payable 120 days after the  
11 board's decision is final unless otherwise provided for by the  
12 administrative law judge or if the time for payment is extended by  
13 the board.

14 (d) The finding of the administrative law judge with regard to  
15 cost shall not be reviewable by the board to increase the cost award.  
16 The board may reduce or eliminate the cost award, or remand to  
17 the administrative law judge where the proposed decision fails to  
18 make a finding on costs requested by the executive officer pursuant  
19 to subdivision (a).

20 (e) The administrative law judge may make a further finding  
21 that the amount of reasonable costs awarded shall be reduced or  
22 eliminated upon a finding that respondent has demonstrated that  
23 he or she cannot pay all or a portion of the costs or that payment  
24 of the costs would cause an unreasonable financial hardship which  
25 cannot be remedied through a payment plan.

26 (f) When an administrative law judge makes a finding that costs  
27 be waived or reduced, he or she shall set forth the factual basis for  
28 his or her finding in the proposed decision.

29 (g) Where an order for recovery of costs is made and timely  
30 payment is not made as directed by the board's decision, the board  
31 may enforce the order for payment in any appropriate court. This  
32 right of enforcement shall be in addition to any other rights the  
33 board may have as to any holder of a permit or certificate directed  
34 to pay costs.

35 (h) In any judicial action for the recovery of costs, proof of the  
36 board's decision shall be conclusive proof of the validity of the  
37 order of payment and the terms of payment.

38 (i) All costs recovered under this section shall be deposited in  
39 the Accountancy Fund.

(j) (1) Except as provided in paragraph (2), the board shall not renew or reinstate the permit or certificate of any holder who has failed to pay all of the costs ordered under this section.

(2) Notwithstanding paragraph (1), the board may, in its discretion, conditionally renew or reinstate for a maximum of one year the permit or certificate of any holder who demonstrates financial hardship and who enters into a formal agreement with the board to reimburse the board within that one-year period for those unpaid costs.

(k) Nothing in this section shall preclude the board from seeking recovery of costs in an order or decision made pursuant to an agreement entered into between the board and the holder of any permit or certificate.

SEC. 13. Section 5115 is added to the Business and Professions Code, to read:

5115. (a) A person whose license has been revoked or surrendered may petition the board for reinstatement or reduction of penalty after a period of not less than one year has elapsed from the effective date of the decision or from the date of the denial of a similar petition, unless a longer period, not to exceed three years, is specified by the board in any decision revoking the license, accepting the surrender of the license, or denying reinstatement of the license.

(b) A person whose license has not been revoked or surrendered but who has been disciplined by imposition of a suspension or otherwise disciplined may petition the board for reinstatement or reduction of penalty after a period of not less than one year has elapsed from the effective date of the decision.

(c) The board shall give notice to the Attorney General of the filing of the petition and the Attorney General and the petitioner shall be afforded an opportunity to present either oral or written argument before the board itself. The board itself shall rule on the petition, and the decision shall include the reasons therefor and any terms and conditions that the board reasonably deems appropriate to impose as a condition of reinstatement or reduction of penalty, including, but not limited to, restrictions on the petitioner's scope of professional practice.

SEC. 14. Section 5131 of the Business and Professions Code is amended to read:

1 5131. (a) The board may charge and collect an application  
2 fee and an examination fee from each applicant. The applicable  
3 fees shall accompany the application which shall be made on a  
4 form provided by the board.

5 (b) Notwithstanding any other provision of this chapter, the  
6 board may authorize an organization specified by the board  
7 pursuant to Section 5082.1 to receive directly from applicants  
8 payment of the examination fees charged by that organization as  
9 payment for examination materials and services.

10 SEC. 15. Section 7139.2 of the Business and Professions  
11 Code is amended to read:

12 7139.2. (a) There is hereby created the Construction  
13 Management Education Account (CMEA) as a separate account in  
14 the Contractors' License Fund for the purposes of construction  
15 management education. Funds in the account shall be available for  
16 the purposes of this article upon appropriation by the Legislature.

17 (b) The Contractors' State License Board shall allow a  
18 contractor to make a contribution to the Construction Management  
19 Education Account at the time of the contractor license fee  
20 payment. The license fee form shall clearly display this alternative  
21 on its face and shall clearly inform the licensee that this provision  
22 is a contribution to the Construction Management Education  
23 Account and is in addition to the fees.

24 (c) The board may accept grants from federal, state, or local  
25 public agencies, or from private foundations or individuals, in  
26 order to assist it in carrying out its duties, functions, and powers  
27 under this article. Grant moneys shall be deposited into the  
28 Construction Management Education Account.

29 SEC. 16. Section 7583.6 of the Business and Professions  
30 Code, as added by Section 3 of Chapter 886 of the Statutes of 2002,  
31 is amended to read:

32 7583.6. (a) A person entering the employ of a licensee to  
33 perform the functions of a security guard or a security patrolperson  
34 shall complete a course in the exercise of the power to arrest prior  
35 to being assigned to a duty location.

36 (b) Except for a registrant who has completed the course of  
37 training required by Section 7583.45, a person registered pursuant  
38 to this chapter shall complete not less than 32 hours of training in  
39 security officer skills within six months from the day the  
40 registration card is issued. Sixteen of the 32 hours must be

1 completed within 30 days from the day the registration card is  
2 issued.

3 (c) A course provider shall issue a certificate to a security guard  
4 upon satisfactory completion of a required course, conducted in  
5 accordance with the department's requirements. A private patrol  
6 operator may provide training programs and courses in addition to  
7 the training required in this section.

8 (d) The department shall develop and approve by regulation a  
9 standard course and curriculum for the skills training required by  
10 subdivision (b) to promote and protect the safety of persons and the  
11 security of property. For this purpose, the department shall consult  
12 with consumers, labor organizations representing private security  
13 officers, private patrol operators, educators, and subject matter  
14 experts.

15 (e) The course of training required by subdivision (b) may be  
16 administered, tested, and certified by any licensee, or by any  
17 organization or school approved by the department. The  
18 department may approve any person or school to teach the course.

19 (f) (1) On and after January 1, 2005, a licensee shall annually  
20 provide each employee registered pursuant to this chapter with  
21 eight hours of specifically dedicated review or practice of security  
22 officer skills prescribed in either course required in Section 7583.6  
23 or 7583.7.

24 (2) A licensee shall maintain at the principal place of business  
25 or branch office a record verifying completion of the review or  
26 practice training for a period of not less than two years. The records  
27 shall be available for inspection by the bureau upon request.

28 (g) This section does not apply to a peace officer as defined in  
29 Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of  
30 the Penal Code who has successfully completed a course of study  
31 in the exercise of the power to arrest approved by the Commission  
32 on Peace Officer Standards and Training. This section does not  
33 apply to armored vehicle guards.

34 (h) This section shall become operative on July 1, 2004.

35 SEC. 17. Section 7583.9 of the Business and Professions  
36 Code is amended to read:

37 7583.9. (a) Upon accepting employment by a private patrol  
38 operator, any employee who performs the function of a security  
39 guard or security patrolperson who is not currently registered with  
40 the bureau, shall complete an application for registration on a form

as prescribed by the director, and obtain two classifiable fingerprint cards for submission to the Department of Justice. The applicant shall submit the application, the registration fee, and his or her fingerprints to the bureau. The bureau shall forward the classifiable fingerprint cards to the Department of Justice. The Department of Justice shall forward one classifiable fingerprint card to the Federal Bureau of Investigation for purposes of a background check.

(b) If a private patrol operator pays the application fee on behalf of the applicant, nothing in this section shall preclude the private patrol operator from withholding the amount of the fee from the applicant's compensation.

(c) The licensee shall maintain supplies of applications and fingerprint cards that shall be provided by the bureau upon request.

(d) In lieu of classifiable fingerprint cards provided for in this section, the bureau may authorize applicants to submit their fingerprints into an electronic fingerprinting system administered by the Department of Justice. Applicants who submit their fingerprints by electronic means shall have their fingerprints entered into the system through a terminal operated by a law enforcement agency or other facility authorized by the Department of Justice to conduct electronic fingerprinting. The enforcement agency responsible for operating the terminal may charge a fee sufficient to reimburse it for the costs incurred in providing this service.

(e) Upon receipt of an applicant's electronic or hard card fingerprints as provided in this section, the Department of Justice shall disseminate the following information to the bureau:

(1) Every conviction rendered against the applicant.

(2) Every arrest for an offense for which the applicant is presently awaiting trial, whether the applicant is incarcerated or has been released on bail or on his or her own recognizance pending trial.

(f) (1) The requirement in subdivision (a) to submit a fingerprint card does not apply to any of the following:

(A) A currently employed, full-time peace officer holding peace officer status under Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code.

(B) A level I or level II reserve officer under paragraphs (1) and (2) of subdivision (a) of Section 832.6 of the Penal Code.



(2) An individual listed in subparagraph (A) or (B) of paragraph (1) may immediately perform the functions of a security guard or security patrolperson provided that he or she has submitted an application, the applicable fees, and his or her fingerprints, if required to submit fingerprints pursuant to subdivision (a), to the bureau for a security guard registration.

(3) This subdivision does not apply to a peace officer required to obtain a firearm qualification card pursuant to Section 7583.12.

(g) Peace officers exempt from the submission of classifiable fingerprints pursuant to subdivision (f) shall submit verification of their active duty peace officer status to the bureau with their application for registration. A photocopy of the front and back of their peace officer identification badge shall be adequate verification.

(h) Peace officers exempt from the submission of classifiable fingerprints pursuant to subdivision (f) shall report a change in their active duty peace officer status to the bureau within 72 hours of the change in active duty peace officer status.

(i) (1) Peace officers exempt from obtaining a firearm qualification card pursuant to subdivision (c) of Section 7583.12 shall submit to the bureau with their application for registration a letter of approval from his or her primary employer authorizing him or her to carry a firearm while working as a security guard or security officer.

(2) For purposes of this section, “primary employer” means a public safety agency currently employing a peace officer subject to this section.

(j) In addition to the amount authorized pursuant to Section 7570.1, the bureau may impose an additional fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(k) An employee shall, on the first day of employment, display to the client his or her registration card if it is feasible and practical to comply with this disclosure requirement. The employee shall thereafter display to the client his or her registration card upon the request of the client.

SEC. 18. Section 10152 of the Business and Professions Code is amended to read:

10152. (a) The commissioner may require any other proof he or she may deem advisable concerning the honesty and truthfulness of any applicant for a real estate license, or of the officers, directors, or persons owning more than 10 percent of the stock, of any corporation making application therefor, before authorizing the issuance of a real estate license. For this purpose the commissioner may call a hearing in accordance with this part relating to hearings. To assist in his or her determination the commissioner shall require every original applicant to be fingerprinted.

(b) This section shall remain in effect only until July 1, 2004, and, as of that date is repealed, unless a later enacted statute that is chaptered on or before July 1, 2004, extends or repeals that date.

SEC. 19. Section 10152 is added to the Business and Professions Code, to read:

10152. (a) The commissioner may require any other proof he or she may deem advisable concerning the honesty and truthfulness of any applicant for a real estate license or license examination, or of the officers, directors, or persons owning more than 10 percent of the stock, of any corporation making application therefor, before authorizing the issuance of a real estate license. For this purpose the commissioner may call a hearing in accordance with this part relating to hearings. To assist in his or her determination the commissioner shall require every original applicant to be fingerprinted prior to issuing a license. The commissioner may require the fingerprints to be submitted either with the application to take the license examination or with the application for a real estate license.

(b) This section shall become operative on July 1, 2004.

SEC. 20. Section 10153.3 of the Business and Professions Code is amended to read:

10153.3. (a) In order to take an examination for a real estate salesperson license after January 1, 1986, an applicant shall submit evidence, satisfactory to the commissioner, of successful completion, at an accredited institution, of a three-semester unit course, or the quarter equivalent thereof, in real estate principles.

(b) The commissioner shall waive the requirements of this section for an applicant who is a member of the State Bar of California, or who has completed an equivalent course of study, as determined under Section 10153.5, or who has qualified to take the

1 examination for an original real estate broker license by satisfying  
2 the requirements of Section 10153.2.

3 (c) This section shall remain in effect only until July 1, 2004,  
4 and, as of that date is repealed, unless a later enacted statute that  
5 is chaptered on or before July 1, 2004, extends or repeals that date.

6 SEC. 21. Section 10153.3 is added to the Business and  
7 Professions Code, to read:

8 10153.3. (a) In order to take an examination for a real estate  
9 salesperson license, an applicant shall submit evidence or  
10 certification, satisfactory to the commissioner, of enrollment in, or  
11 successful completion at, an accredited institution, of a  
12 three-semester unit course, or the quarter equivalent thereof, in  
13 real estate principles. Evidence of enrollment satisfactory to the  
14 commissioner may include a statement from the applicant made  
15 under penalty of perjury.

16 (b) An applicant for an original real estate salesperson license  
17 shall submit evidence satisfactory to the commissioner of  
18 successful completion, at an accredited institution, of a  
19 three-semester unit course, or the quarter equivalent thereof, in  
20 real estate principles.

21 (c) The commissioner shall waive the requirements of this  
22 section for an applicant who is a member of the State Bar of  
23 California, or who has completed an equivalent course of study, as  
24 determined under Section 10153.5, or who has qualified to take the  
25 examination for an original real estate broker license by satisfying  
26 the requirements of Section 10153.2.

27 (d) This section shall become operative on July 1, 2004.

28 SEC. 22. No reimbursement is required by this act pursuant  
29 to Section 6 of Article XIII B of the California Constitution  
30 because the only costs that may be incurred by a local agency or  
31 school district will be incurred because this act creates a new crime  
32 or infraction, eliminates a crime or infraction, or changes the  
33 penalty for a crime or infraction, within the meaning of Section  
34 17556 of the Government Code, or changes the definition of a  
35 crime within the meaning of Section 6 of Article XIII B of the  
36 California Constitution.

37 ~~SEC. 23. This act is an urgency statute necessary for the~~  
38 ~~immediate preservation of the public peace, health, or safety~~  
39 ~~within the meaning of Article IV of the Constitution and shall go~~  
40 ~~into immediate effect. The facts constituting the necessity are:~~

1     ~~In order that the regulatory changes proposed by this act may~~  
2     ~~take effect as soon as possible, it is necessary that this act take~~  
3     ~~effect immediately.~~

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